

The Recovery Act in Michigan

1st Quarter 2010

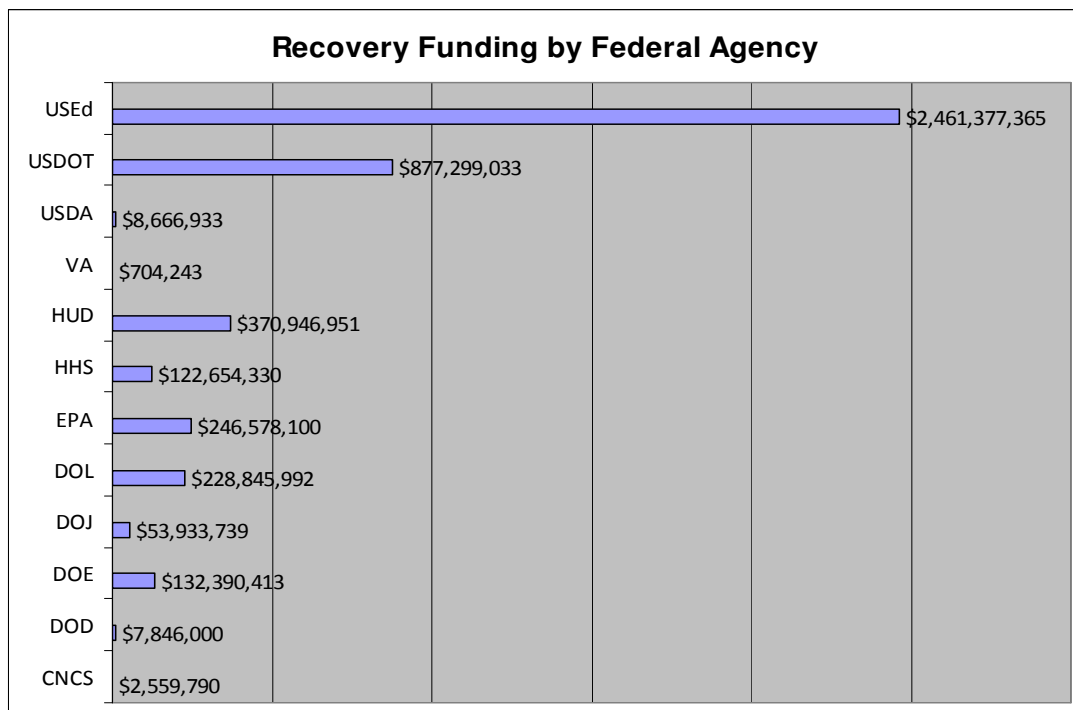


The federal government requires an unprecedented level of data reporting and transparency regarding the spending of Recovery Act funds. In Michigan, we too are committed to transparency and accountability in the expenditure of these funds so citizens will know they are being invested wisely and responsibly on their behalf.

Section 1512 Reporting: April 16, 2010

Section 1512 of the Recovery Act requires that recipients of funding submit quarterly reports on their activities and spending. By statute, these reports are due to the federal government ten days after the close of each quarter. However, the federal government extended the deadline for reporting for this quarter to midnight on April 16 due to technical difficulties with the reporting website that prevented recipients from successfully submitting reports by the April 10 deadline.

Twelve state of Michigan agencies received funding under the Recovery Act from a variety of federal agencies, detailed in the chart below. Totals are cumulative through March 31, 2010.



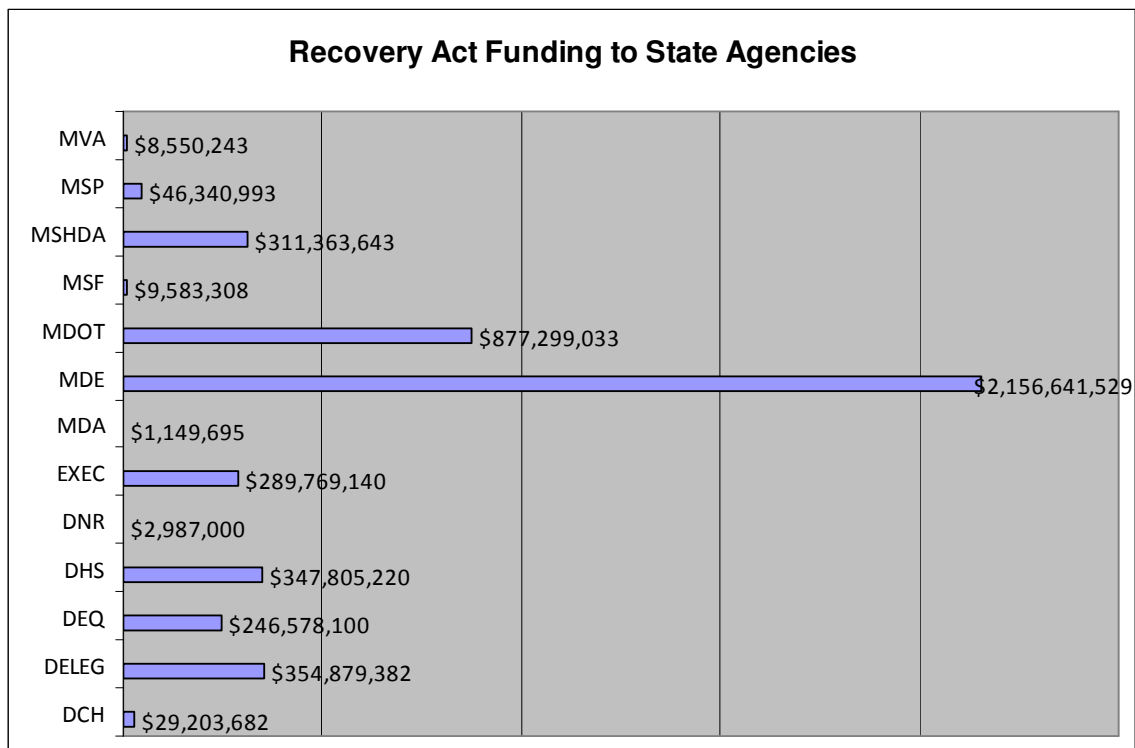
Under federal guidelines, state agencies that received Recovery Act funding were required to submit a separate report for each federal funding award they received. The Michigan Departments of Community Health, Natural Resources and Environment, Human Services, Transportation, Education, State Police, Military & Veterans Affairs and Energy, Labor & Economic Growth along with the Executive Office, Michigan Strategic Fund and the Michigan State Housing Development Authority submitted a combined 802 reports.

In addition, non-state agencies, including municipal governments, universities, community colleges, tribal governments, non-profit organizations and for-profit companies are required to submit reports for each award they receive through the Recovery Act.

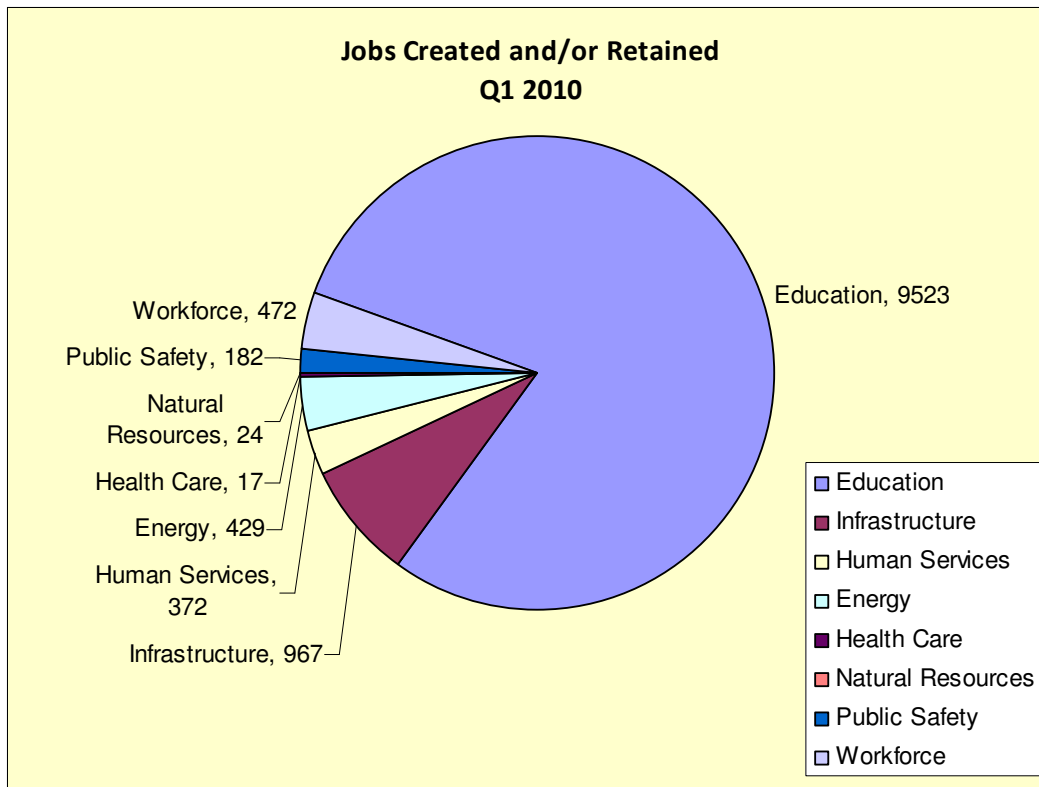
NOTE #1: None of the spending activities reported by these non-state agencies are included in the statistics that follow. All reports from non-state agencies, as well as the state agency reports represented in this document, will be available to the public on April 30, 2010 at www.Recovery.gov.

The state of Michigan's 802 reports showed:

- **\$4,682,150,968 has been allocated to state agencies in programs required to report.** The chart below highlights allocation by agency through March 31, 2010.



- **\$1,872,393,434 has been spent to date by state agencies and their sub-recipients in programs that must submit Section 1512 reports.**
- **11,986 jobs created or retained in this quarter through spending in programs required to report.** Since the inception of the Recovery Act, state and non-state recipients in Michigan have reported more than 54,000 jobs retained or created with Recovery Act funds. The chart below details job creation by category for the first quarter of 2010.



NOTE #2: All recipients have a three day review period (April 17-19) during which they can edit their reports. On April 20, federal agencies begin their review period during which time they have the opportunity to request changes and/or corrections, if necessary, by the entity submitting the report. The federal agency review period ends on April 29. As a result of this review process, all data should be considered preliminary until the final reports are published on Recovery.gov on April 30, 2010.

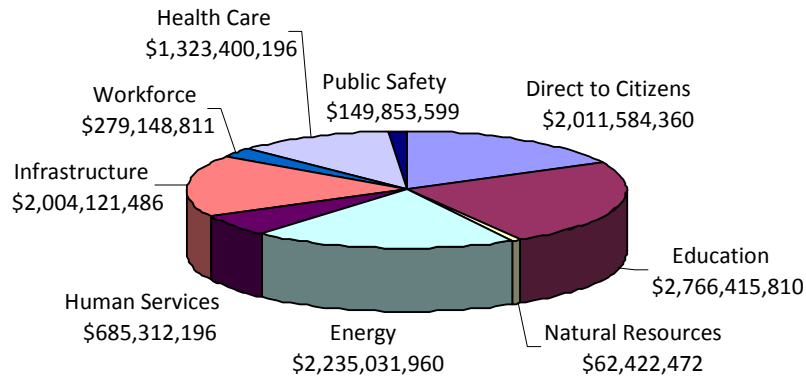
Additional Recovery Act Spending in Michigan

Not all programs receiving Recovery Act funding are required to submit Section 1512 reports. Entitlement programs, payments made directly to individuals and tax provisions are not covered by Section 1512. Major programs not included in the Section 1512 reports include Medicaid, unemployment benefits and food assistance payments.

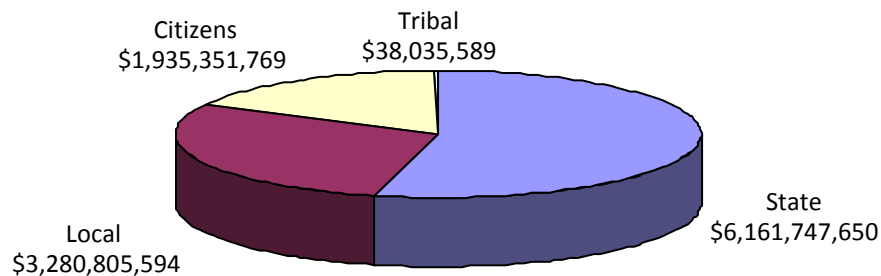
In addition, funding provided directly to local communities, institutions of higher education, non-profit organizations, tribal governments and others is not captured in the state reports. Therefore, the information contained in the state's Section 1512 reports represents only a portion of the overall impact of the Recovery Act.

Overall, Michigan recipients have been allocated more than \$11.4 billion from the Recovery Act to date, including funding that goes directly to citizens through programs such as those listed above. The charts on the following page detail the allocations by program category and receiving entity.

Recovery Act Funding Allocated to Michigan by Category



Recovery Act Funding Allocated to Michigan by Recipient



The current economic climate has created many challenges for Michigan's families and communities. The Recovery Act is helping meet those challenges by providing critical funding for our economic priorities: job creation, health care, education and job training, social service programs and more.

The Recovery Act at Work in Michigan

The Recovery Act is an aggressive nationwide effort to create and save jobs and transform our economy. Since President Obama signed the Recovery Act into law in February of 2009, more than \$11 billion has been allocated to Michigan communities, citizens, and businesses. These funds provide a one-time opportunity to accelerate our plan to create jobs and diversify our economy. While Recovery Act funds will not resolve all of the challenges we face, this initiative is a critical step toward putting people back to work and investing in our long-term success.

The positive effects of the Recovery Act are being felt in communities throughout Michigan. Following are just a few of the hundreds of stories from across the state of how these funds are helping to move Michigan forward.

In Saginaw, Morley, Inc. received a Small Business Administration (SBA) loan package through the Recovery Act that enabled the company to expand its call center facility and to hire 350 additional employees. In February, Vice President Joe Biden visited Saginaw. He sat down for lunch at Fuzzy's Diner with Morley CEO Paul Furlo to talk about the importance of the Recovery Act SBA loan to his business and the community.

NOTE: As of April 9, 2010, the SBA had approved more than 1,659 Recovery Act loans supporting over \$651 million in small business lending in Michigan.



Vice President Biden at Fuzzy's Diner in Saginaw with Karen Mills, SBA Administrator; Paul Furlo, Morley Inc. CEO; Tom Zernick, SBA Loan Director for Citizen's Bank in Michigan; David Greene, Citizen's Bank in Saginaw.

In Holland, Energetx Composites received a Recovery Act-funded Clean Energy Advanced Manufacturing (CEAM) grant for \$3.5 million. Coupled with other state tax credits, the CEAM grant is enabling Energetx to continue to diversify into the wind energy sector. The company currently employs 18 people but expects to employ more than 160 by the end of 2010, and by 2016 they expect to create 1,000 new jobs and add more than 1,500 additional spin-off jobs to the regional economy.

“Energetx is a proud Michigan company with a solid foundation that instead of resting on its laurels, decided to build on its strengths and expand into clean-energy manufacturing. Its effort takes us one step closer to our goal of making Michigan the center of the nation’s new energy economy.” –Governor Jennifer Granholm, February 5, 2010



Workers at Energetx Corporation in Holland, preparing molds for wind turbine components.

NOTE: The state of Michigan re-allocated \$15.5 million in Recovery Act funds to help small businesses diversify into advanced manufacturing of renewable-energy systems and components. The funding will enable the 5 recipient companies to create and retain 713 jobs over the next two years. The grantees:

- **Astraeus Wind Energy, Inc.** located in Eaton Rapids - \$7 million to manufacture large scale, advanced-composite wind turbine blades and hub-related components;
- **Energetx Composites, LLC** located in Holland - \$3.5 million to manufacture large scale, advanced-composite wind turbine blades;
- **Loc Performance Products, Inc.** located in Plymouth - \$1.5 million to manufacture planetary gears and gearboxes for utility scale wind turbines;
- **LUMA Resources LLC** located in Rochester Hills - \$.5 million to manufacture products for the residential photovoltaic solar market;
- **Merrill Technologies Group** located in Saginaw - \$3 million to manufacture large-scale, advanced-composite wind turbine blades and system components.

In Southeast Michigan, the Oakland Livingston Human Service Agency (OLHSA) will receive more than \$16 million in Recovery Act funding over the next two years to provide services to low-income residents and create jobs for local contractors through programs such as the Weatherization Assistance Program (WAP), the Emergency Food Assistance Program (TEFAP), Head Start, and the Homelessness Prevention and Rapid Re-housing Program (HPRP).

OLHSA is one of Michigan’s 30 Community Action Agencies (CAA), the nation’s largest federally assisted network of organizations whose sole purpose is to eliminate the causes and conditions of poverty.

The Recovery Act is providing more than \$243 million for WAP in Michigan, which will enable the CAA’s to weatherize the homes of more than 34,000 citizens. The \$11.6 million awarded to OLHSA will mean that approximately 2,000 homeowners and families will benefit.



Weatherization workers on the job at a home in Commerce Township



Weatherization worker testing for energy leaks at a home in Pontiac.

The Recovery Act is making a difference in the lives of thousands of Michigan citizens in hundreds of communities around the state, and it is fueling the diversification of our economy with significant investments in alternative energy and advanced automotive technologies. This focus on sparking the new energy economy has accelerated Michigan's own long-term effort to boost the state's alternative and renewable energy industries, and has provided much-needed additional dollars to fund Michigan's economic priorities.

To read more about how the Recovery Act is working for Michigan citizens and businesses, and to share your stories about the impact of this important investment in Michigan's future, visit us on Facebook (www.facebook.com/buildingmifuture).